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Producers 88-198(R) Texas Paid-Up (2/93)

OIL, GAS AND MINERAL LEASE (PAID-UP LEASE)

| THIS AGREEMENT made this 22 nd | day of January | , 20 09 , between |
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| George Nolet and wife, Caroline Nolet | | |
| | | |
| 04016 : D : D : GY 5600 | , Lessor (whether one or more) whose | address is |
| 840 Merion Drive, Burleson, TX 76028 | | |
| | nd Devon Energy Production Company | y, L.P. , Lessee, whose address is |
| P.O. Box 450, Decatur, Texas 76234 | ; WITNES | SETH: |
| 1. Lessor in consideration of Ten or more Dollars, in hand paid exclusively unto Lessee the lands subject hereto for the purpose of investigati and their respective constituent elements) and all other minerals, (whether or surveys, injecting gas, water and other fluids and air into subsurface strata, building roads, tanks, power stations, telephone lines and other structures. Tarrant County, Texas, a | ing, exploring, prospecting, drilling and mining for and product not similar to those mentioned) and the exclusive right to contestablishing and utilizing facilities for the disposition of salt | ing oil, gas (including all gases, liquid hydrocarbons duct exploration, geologic and geophysical tests and water, laving pipelines, housing its employees and |
| 0.372 acres of land more or less situated in the | no Ahnon I oo Sumuru A 021 Tomont C | ounts: Toyon being all of Lat |
| 0.372 acres of land, more or less, situated in the 22, Block 15, Thomas Crossing, an addition to thereof recorded in Cabinet A, Slide 4473 & 4 | o the City of Fort Worth, Tarrant Count | y, Texas according to the plat |
| SEE EXHIBIT "A" ATTACHED HERETO A | ND MADE A PART HEREOF FOR A | DDITIONAL PROVISIONS. |
| This lease also covers and includes all land owned or claimed by Lessor ad surveys, although not included within the boundaries of the land particularly execute any lease amendment requested by Lessee for a more complete purpose of calculating any payments hereinafter provided for, said Land is estimated. | y described above. The land covered by this lease shall be he or accurate description of said Land and such amendment sh | ereinafter referred to as said Land. Lessor agrees to |
| Lessee requests a lease amendment and same is filed of record. 2. Subject to the other provisions herein contained and without referelease shall be for a term of five (5) years from this date (called "primary term" land with which said Land is pooled hereunder. The word "operations" as u drilling, testing, completing, reworking, recompleting, deepening, plugging be other actions conducted on said lands associated with or related thereto. 3. The royalties to be paid by Lessee are: (a) on oil delivered at the word oil produced and saved from said Land; Lessee may from time to time purchase of Lessee may sell any royalty oil in its possession and pay I the cost of treating the oil to render it marketable pipeline oil or, if there is not all gases, processed liquid hydrocarbons associated therewith and any other rused off the premises or for the extraction of gasoline or other product then exceed the amount received by Lessee for such gas computed at the mouth of from such sale, it being understood that Lessor's interest shall bear one-eight at the wells; (c) on all other minerals mined and marketed, one-tenth either in participating royalty interests, in said Land, whether or not owned by Lessor set forth herein. Lessee shall have free use of oil, gas and water from said injection and secondary recovery operations, and the royalty on oil and gas shall injection and secondary recovery operations, and the royalty on oil and gas shall have free use of oil, gas and water from said injection and secondary recovery operations, and the royalty on oil and gas shall nevertheless be considered that oil Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to Lessee shall pay or tender as shut-in royalty to Lessor, or tender for deposit to the said and the royalty on tender for deposit to the shall pay or tender as shut-in royalty to Lessor, or tender for deposit to | rence to the commencement, prosecution or cessation of open.") and as long thereafter as oil, gas, or other minerals is productive decision of the production of the limited to any or the followack or repairing of a well in search for or in an endeavor to obtain the properties of a well in search for or in an endeavor to obtain the properties of a well in search for or in an endeavor to obtain the properties of the price received by the Lessee for such oil computed to available pipeline, Lessor's interest shall bear one-cighth of respective constituent elements, casinghead gas or other gase from, the market value at the well of one-eighth of the gas of the well, and provided further on gas sold at the wells the roy the of the cost of all compression, treating, dehydrating and train kind or value at the well or mine, at Lessee's election. Any rand whether or not effectively pooled by Lessee pursuant to Land, except water from Lessor's wells, in all operations whe hall be computed after deducting any so used. The primary term herein, there is a well or wells capable of prince the primary term herein, there is a well or wells capable of prince the primary term herein, there is a well or wells capable of prince the primary term herein there is a well or wells capable of prince the primary term herein there is a well or wells capable of prince the primary term herein there is a well or wells capable of prince the primary term herein there is a well or wells capable of prince the primary term herein there is a well or wells capable of prince the primary term herein there is a well or wells capable of prince the primary term herein there is a well or wells capable of prince the primary term herein there is a well or wells capable of prince the primary term herein the primary term her | red from or operations are conducted on said Land or wing; preparing drillsite location and/or access road train production of oil, gas or other minerals and any one-eighth of the proceeds received from the sale of erefor prevailing for the field where produced on the at the well; Lessor's interest shall bear one-eighth of the cost of all trucking charges; (b) on gas, including ous substance, produced from said Land and sold on sold or used provided the market value shall no ralty shall be one-eighth of the net proceeds received royalty interests, including, without limitation, non-the provisions hereof, shall be paid from the royalty including conducting oil or gas in paying quantities on said Land erations or otherwise, this lease shall not terminate, ing of paragraph 2 herein. However, in this event, or at address above Bank at |
| hereunder regardless of changes in ownership of said land or shut-in royalty provided however, in the event said well is located on a unit comprised of all each acre of said Land included in such unit on which said shut-in well is loca fail or refuse to accept such payment, Lessee shall re-tender such payment wit to receive such payment or tenders. Such shut-in royalty payment shall be completion of such well, or (c) the date on which oil or gas ceases to be sold of (e) the date the lease ceases to be otherwise maintained, whichever be the late manner and upon like payments or tenders on or before the next ensuing an periods of one (1) year each until such time as this lease is maintained by proyalty payment shall not be required or, if a shut-in royalty payment is tende payment regardless of how many times actual production may be commence tender any such sum as shut-in royalty shall render Lessee liable for the amout or market the minerals capable of being produced from said wells, but in the cordinary lease facilities of flowline, separator, and lease tank, and shall not be tenders royalty or shut-in royalty as hereinabove provided, two (2) or more provided, pay or tender such royalty or shut-in royalty, in the manner above sas Lessee may elect. | or a portion of said Land and other land or leases a sum deter ated. If such bank (or any successor bank) should fail, liquidat thin thirty (30) days following receipt from Lessor of a proper due on or before the expiration of ninety (90) days after (a) it or used, or (d) the date this lease is included in a unit on which er date. It is understood and agreed that no shut-in royalty payantiversary of the due date for said payment, the Lessee shall row in the control of the due date for said payment, the Lessee shall read, no additional shut-in payment will be due until the next end and shut-in during such one (1) year period. Lessee's fail and due but it shall not operate to terminate this lease. Lessee exercise of such diligence, Lessee shall not be obligated to ins a required to settle labor trouble or to market gas upon terms uparties are, or claim to be, entitled to receive same, Lessee is specified, either jointly to such parties or separately to each in | 0) per acre for each acre then covered by this lease, mined by multiplying one dollar (\$1.00) per acre for e, or be succeeded by another bank or for any reason recordable instrument naming another bank as agent he expiration of the primary term, or (b) the date of a well has been previously completed and shut-in or ments shall be due during the primary term. In like continue to pay such shut-in royalty for successive ences within the applicable 90 day period, a shut-in multiply anniversary of the due date for said tendered ure to pay or tender or to properly or timely pay or agrees to use reasonable diligence to produce, utilize tall or furnish facilities, other than well facilities and nacceptable to Lessee. If at any time Lessee pays or nay, in lieu of any other method of payment herein accordance with their respective ownerships thereof, |
| 5. (a) Lessee shall have the right and power in its discretion to pool covered by this lease or with other land, lease or leases in the vicinity thereof, one or more of said substances, and may be exercised at any time and from the dilled. Pooling in one or more instances shall not exhaust the rights of Less not conform in size or area with units as to any other stratum or strata, and oil acres each in area plus a tolerance of 10% thereof, and units pooled for gas he governmental authority having jurisdiction prescribe or permit the creation of or permitted by governmental regulations. The pooling for gas hereunder by as may be produced with the unitized gas, and the royalty interest payable texecute in writing an instrument or instruments identifying and describing the acreage is located. Such pooled unit shall become effective as of the date prescribed. | The above right and power to pool and unitize may be exerc time to time during or after the primary term, and before or a see to pool said Land or portions thereof into other units. Unit il units need not conform as to area with gas units. Units pool execunder shall not substantially exceed in area 640 acres each, of units larger than those specified, units thereafter created may Lessee shall also pool and unitize all associated liquid hydrocito Lessor thereon shall be computed the same as on gas. We see pooled acreage and file same for recording in the office of the same as on gas. | ised with respect to oil, gas or other minerals, or any fler a well has been drilled, or while a well is being a formed by pooling as to any stratum or strata need of for oil hereunder shall not substantially exceed 80 plus a tolerance of 10% thereof, provided that should be conform substantially in size with those prescribed arbons and any other respective constituent elements ith respect to any such unit so formed, Lessee shall the County Clerk in the county in which said pooled |

acreage is located. Such pooled unit shall become effective as of the date provided for in said instrument or instruments or instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed for record. Any unit so formed may be re-formed, increased or decreased, at the election of Lessee, at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the County in which said pooled acreage is located. Any such pooled unit established in accordance with the terms hereof shall constitute a valid and effective pooling of the interests of Lessor and Lessee hereunder regardless of the existence of other mineral, nor executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in lands within the boundary of any pooled unit which are not effectively pooled therewith. Lessee shall be under no duty to obtain an effective pooling of such other outstanding interests in lands within the boundary of any pooled unit. Operations on or production of oil and/or gas from any part of the pooled unit which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the pooled unit, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. The production from an oil well will be considered production from the lease or oil pooled unit from which it is producting and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producting and not as production from a gas pooled unit, and production from a gas well will be considered as production from the lease or gas pooled unit from which it is produ

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such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it bereunder by instrument in writing filed for record such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

(b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more negative of such size and shows every the developed and powerted by the combination of such interests or any of them one or more negative of such size and shows every the developed and powerted by the combination of such interests or any of them one or more negative of such size and shows every the developed and powerted the developed and powerted the developed and powerted the developed and powerted the developed and power that the power that the combined and the power that the combination of such inter

- the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all provisions contained therein shall be binding on Lessor provided such unitization agreement is approved by the Railroad Commission of Texas or other Governmental Agencies having jurisdiction over such matters. Operations on or production of oil and/or gas from any part of the unitized area which includes all or a portion of said Land, regardless of whether such operations were commenced or such production was secured before or after the date of this lease or the date of the instrument designating the unitized area, shall be considered for all purposes, except the payment of royalties, as operations on or production of oil or gas from said Land whether or not the well or wells be located on said Land. Royalties payable from the unitized area shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the operations thereon operations thereon.
- 6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease premises which remains in force and on which Lessee continues to conduct operations.
- 7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or land on leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, of the primary term, of the primary term, of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an oil unit that was formed prior to the expiration of the primary term of this lease, this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith are producted from acreage. more that ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a gas unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 hercin; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing
- and operation expenses.

 8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land without Lessor's consent.
- depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land without Lessor's consent.

 9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U. S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

 10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby, nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notine with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days aft
- while boright until the lapse of ninety (90) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee at and to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. After the discovery of oil, gas or other minerals in paying quantities on said premises, Lessee shall reasonably develop the acreage retained hereunder; but, in discharging this obligation, it shall in no event be required to drill more than one well per eighty (80) acres, plus an acreage tolerance not to exceed 10% of 80 acres, of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres, plus an acreage tolerance not to exceed 10% of 640 acres, of the area retained hereunder and capable of producing gas or other minerals in paying quantities.
- 11. Lessor hereby warrants and agrees to defend the title to said Land and agrees that Lessee may, at its option, discharge any tax, mortgage or other lien upon said Land, either in whole or in part; and, in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. When required by state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land.
- Lessor. Without impairment of Lessee's rights under the warranty in event of failure of fine, it is agreed that it lessor owns an interest in the only gas of ourse managed on, as a less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

 12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended white and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented are installed and in this lesse to the contrary notwithstanding. shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

 (b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence
- wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed justified.
- (c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations; and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order,

Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein; and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor". IN WITNESS WHEREOF, this instrument is executed on the date first above written. allaline Molist LESSOR LESSOR LESSOR LESSOR **TEXAS** STATE OF **TARRANT** COUNTY OF 1/22/09 George Nolet and wife, Caroline Nolet This instrument was acknowledged before me on Notary Signature Printed Name: COLIN CRAWFORD NOTARY PUBLIC TEXAS Notary Public, State of State of Texas Comm. Exp. 07-06-2010 7/6/2010 My Commission Expires:

EXHIBIT "A"

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated the 22nd day of January, 2009 by George Nolet and wife, Caroline Nolet, as Lessor and Devon Energy Production Company, L.P., as Lessee.

- 1. Royalty: Notwithstanding anything contained in this lease to the contrary, wherever the fraction "one-eighth" (1/8th) appears in the printed portion of this lease the same is hereby amended to read "twenty-five percent" (25%).
- 2. <u>Term</u>: Notwithstanding anything contained in the Lease to the contrary, in Paragraph 2, the primary term is hereby amended to read "Two (2) years" and the words "Five (5) years" shall hereby be deleted.
- 3. <u>Costs.</u> It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, or marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, in the event Lessee determines in good faith that it can obtain a higher price at a market located outside of the local market, and Lessee incurs transportation costs charged by an unaffiliated interstate or intrastate gas pipeline in order to enhance the value of the oil, gas or other products, Lessor's pro rata share of such costs may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than the price received by Lessee.
- Assignment. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. In the event of an assignment of any portion of Lessee's interest hereunder, with the exception of assignments being made to officers, directors, and/or subsidiaries of Lessee, Lessee shall deliver to Lessor a copy of the recorded document regarding the interest so assigned. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this Lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this Lease then held by each.
- 5. <u>Waiver of Surface Use; Water; Seismic Operations.</u> Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon or conduct any operations (except for geophysical/seismic operations as stated below) on the leased premises. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands. Lessee shall make all reasonable efforts not to use residential or neighborhood streets or thoroughfares in developing the leased premises, and lands pooled therewith, or otherwise.

Lessee shall not have or acquire any rights in and to the water from the leased premises. No surface water or underground fresh water from the leased premises will be used for any reason,

including water flood or pressure maintenance purposes. Lessee shall comply with all applicable rules in disposition of salt water, brine, or other fluids utilized in or resulting from operations, and shall not cause or permit any such substances to damage or pollute the surface of the leased premises or any fresh water sands lying thereunder. The leased premises shall not be used for salt water disposal.

As provided above, Lessee shall have the right to conduct geophysical/seismic operations, but only by utilizing the vibroseis method, and Lessee shall pay for all actual damages incurred to the leased premises, which directly result from geophysical seismic operations.

Nothing in this Lease shall be interpreted as a waiver by Lessor of any setback or other requirements under the drilling or other applicable ordinances of the Cities of Burleson and/or Ft. Worth or the counties of Johnson and/or Tarrant.

- 6. <u>Noise.</u> Noise levels associated with Lessee's operations related to the drilling, completion and reworking of wells shall be kept to a reasonable minimum, taking into consideration reasonable available equipment and technology in the oil and gas industry, the level and nature of development and surface use elsewhere in the vicinity of Lessee's drill sites and the fact Lessee's operations are being conducted in or near an urban residential area. If Lessee utilizes any non-electric-powered equipment in its operations, including but not limited to compression equipment, Lessee shall take reasonable steps to muffle the sound therefrom by installing a noise suppression muffler or like equipment.
- Regulatory Requirements and Force Majeure. Lessee's obligations under this Lease, whether express or implied, shall be subject to all applicable laws, rules regulations and orders of the Cities of Burleson/Ft. Worth and any other governmental authority having jurisdiction including restrictions on the drilling, and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate because of such prevention or delay, and at Lessee's option, the period o such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this Lease when drilling, production or other operations are so prevented, delayed or interrupted. Lessee shall take all reasonable actions to remove or end any cause of Force Majeure for a period of more than eighteen (18) months or three (3) years of cumulative time. No obligation of Lessee to pay money that has accrued and was due before the Force Majeure event occurred under this Lease will be excused or delayed by reason of such Force Majeure.
- 8. Indemnity. LESSEE SHALL INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, SUCCESSORS, AND ASSIGNS FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, LOSSES AND DEMANDS FOR DAMAGE TO PROPERTY, PERSONAL INJURY OR DEATH, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, EXPERT FEES AND COURT COSTS, ARISING DIRECTLY OR INDIRECTLY FROM ACTIONS, INACTIONS OR OCCUPANCY OF THE LEASE PREMISES OR LANDS POOLED THEREWITH OF AND BY LESSEE OR ITS ASSIGNS OR THE AGENTS, EMPLOYEES, CONTRACTORS OR INVITEES OF EITHER OF THEM.
- 9. <u>Notices; Right to Cure.</u> All notices required or contemplated by this Lease shall be provided in writing to the individual Lessees. All such notices shall be made by registered or certified mail, return receipt requested, unless another means of delivery is expressly stated. No litigation shall be initiated by Lessor with respect to any breach of default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this Lease shall not be forfeited or canceled in whole or part unless Lessee is given a reasonable time (not to exceed 90 days) after said judicial determination to remedy the breach or default and Lessee fails to do so.

10. Waiver of Claims and Neighborhood Association and Committee Members. Lessor acknowledges that the terms of this Lease, the amount of the royalty and bonus paid hereunder, and all other terms negotiated with Lessee (herein the "Negotiated Terms") with respect to this Lease, were obtained as a result of negotiations between Lessee and the Community consisting of a committee of unpaid volunteers hereafter known as Committee Members. In consideration of the efforts spent by Committee Members in negotiating and obtaining the Negotiated Terms on behalf of Lessor and other property owners, Lessor, on behalf of the Lessor and the Lessor's agents, spouses, co-owners, predecessors, parents, subsidiaries, affiliated corporations or other affiliated entities, successors, partners, principals, assigns, attorneys, servants, employees, heirs, consultants, and other representatives, does hereby release and forever discharge Committee Members, from any and all claims, demand, obligations, losses, causes of action, costs, expenses, attorney's fees, and liabilities of any nature whatsoever, whether based on contract, tort, statutory or other legal or equitable theory of recover, whether known or unknown, past present, or future, which Lessor has, has had, or claims to have against the Committee Members.

SIGNED FOR IDENTIFICATION:

Caroline Nolet



DEVON ENERGY PO BOX 450

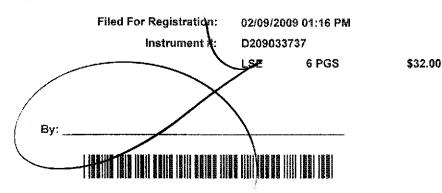
DECATUR

TX 76234

Submitter: DEVON ENERGY

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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